



# **Metropolitan Transportation Commission**

**Reports on Federal Awards in Accordance  
with OMB Uniform Guidance  
For the Year Ended June 30, 2023**

**Auditee  
Metropolitan Transportation Commission**

**EIN  
94-1749911**

**Metropolitan Transportation Commission**  
**Reports on Federal Awards in Accordance with OMB Uniform Guidance**  
**For the Year Ended June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners  
Metropolitan Transportation Commission  
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (the "Commission") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 18, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

San Francisco, California  
October 18, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Commissioners  
Metropolitan Transportation Commission  
San Francisco, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Metropolitan Transportation Commission's (the "Commission") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2023. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

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(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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(Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated October 18, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

San Francisco, California  
October 18, 2023

**METROPOLITAN TRANSPORTATION COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2023

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Sub-Recipients	Total Federal Expenditures
<b>Federal Highway Administration (FHWA)</b>				
Highway Research and Development Program				
Department of Transportation				
Pass Through from the California Department of Transportation				
Highway Research and Development Program	20.200	SHRP2L-6084 (192)	\$ (4,610)	\$ (4,610)
	20.200	FHWA Work Zone Data Center	-	52,673
<b>Total Highway Research and Development Program</b>			<b>(4,610)</b>	<b>48,063</b>
<b>Highway Planning and Construction Cluster</b>				
Department of Transportation				
Pass Through from the California Department of Transportation				
Highway Planning and Construction	20.205	04 OWPMTCM (FHWA TC)	-	9,446,834
	20.205	04 OWPMTCM (FHWA TC) 2.5%	-	134,162
	20.205	SP&R FHWA Next Generation	-	240,902
	20.205	STPL-6084 (186)	112,887	112,887
	20.205	CML-6084 (190)	-	25,000
	20.205	STPL-6084 (198)	-	53,341
	20.205	CML-6084 (209)	-	741,736
	20.205	STPL-6084 (206)	7,035,620	7,035,620
	20.205	STPL-6084 (207)	-	235,983
	20.205	CML-6084 (211)	-	270,905
	20.205	CML-6084 (210)	-	246,793
	20.205	CML-6084 (215)	-	415,948
	20.205	CMLNI-6084 (216)	-	1,140,620
	20.205	CMLNI-6084 (208)	-	1,674,640
	20.205	STPLNI-6084 (212)	-	321,104
	20.205	STPLNI-6084 (222)	-	839,775
	20.205	STPLNI-6084 (225)	-	42,130
	20.205	CMLNI-6084 (220)	-	321,962
	20.205	STPLNI-6084 (232)	552,014	970,099
	20.205	CMLNI-6084 (219)	614,782	614,782
	20.205	STPLNI-6084 (226)	55,003	3,049,006
	20.205	STPLNI-6084 (227)	1,037,971	1,114,784
	20.205	STPLNI-6084 (230)	-	255,076
	20.205	STPLNI-6084 (231)	-	247,437
	20.205	STPLNI-6084 (233)	1,708,064	1,708,064
	20.205	STPL-6084 (235)	-	97,718
	20.205	STPLNI-6084(241)	-	839,764
	20.205	CMLNI-6084(243)	-	146,370
	20.205	STPLNI-6084(255)	-	599,065
	20.205	STPLNI-6084(254)	-	86,522
	20.205	STPLNI-6084(244)	19,660	19,660
	20.205	STPL-6084(259)	-	258,564
	20.205	STPLNI-6084 (260)	-	5,964,711
	20.205	STPLNI-6084 (263)	57,171	117,752
	20.205	STPLNI-6084 (264)	-	294,794
	20.205	STPLNI-6084 (262)	-	1,554,688
	20.205	STPL-6084(268)	194,820	1,000,302
	20.205	STPL-6084 (269)	-	48,932
	20.205	STPL-6084(273)	-	456,588
	20.205	STPLNI-6084 (275)	-	30,500
	20.205	STPLNI-6084 (277)	-	108,176
	20.205	STPLNI-6084 (278)	-	783,315
	20.205	STPL 6084 (279)	-	80,648
	20.205	STPL 6084 (281)	108,406	108,406
	20.205	CML-6084 (282)	-	21,451
	20.205	STPL 6084 (285)	198,561	683,170
	20.205	STPLNI 6084 (288)	-	811,645
	20.205	STPL 6084 (284)	6,174,868	6,174,868
	20.205	CMLNI 6084 (290)	275,000	275,000
	20.205	STPL 6084 (293)	-	108,924
	20.205	CMLNI 6084 (292)	-	179,532
<b>Total Highway and Planning and Construction Cluster</b>			<b>18,144,827</b>	<b>52,110,655</b>
<b>Total Federal Highway Administration (FHWA)</b>			<b>18,140,217</b>	<b>52,158,718</b>
<b>Federal Transit Administration (FTA)</b>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program				
Pass Through from the California Department of Transportation				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	04 OWPMTCM (FTA 5303 TC)	341,855	3,304,076
	20.505	04 OWPMTCM (FTA 5304 TC)	-	187,818
	20.505	04 OWPMTCM (FTA 5304 TC)	-	246,993
	20.505	04 OWPMTCM (FTA 5304 TC)	96,050	96,050
<b>Total Pass Through from the California Department of Transportation</b>			<b>437,905</b>	<b>3,834,937</b>
<b>Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program</b>			<b>437,905</b>	<b>3,834,937</b>

See accompanying notes to the schedule of expenditures of federal awards.  
(Continued)



**METROPOLITAN TRANSPORTATION COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2023

Federal Grantor/Pass Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Sub-Recipients	Total Federal Expenditures
<b>Federal Transit Cluster</b>				
Department of Transportation				
Federal Transit Capital Investment Grants				
Pass-Through From SFMTA	20.500	CA-03-0767-05	\$ -	\$ 2,581,693
Subtotal: ALN 20.500			-	2,581,693
Federal Transit Formula Grants				
Direct Awards				
CA-2020-224-00	20.507			
CA-2020-232-02 5307-3	20.507		-	14,334,520
CA-2020-232-02 5307-2A	20.507		-	20,482,403
Subtotal: ALN 20.507			-	34,816,923
State of Good Repair Grants Program				
Pass-Through From Golden Gate Bridge, Highway & Transportation District	20.525	CA-2017-162-00 (FTA 5337)	-	1,886,673
Subtotal: ALN 20.525			-	1,886,673
Bus and Bus Facilities Formula Program				
Direct Awards				
CA-34-0032-00 (FTA 5339)	20.526		450,307	450,307
Subtotal: ALN 20.526			450,307	450,307
<b>Total Federal Transit Cluster</b>			450,307	39,735,596
<b>Transit Services Program Cluster</b>				
Department of Transportation				
Enhanced Mobility of Seniors & Individuals with Disabilities				
Pass-Through from the California Department of Transportation	20.513	64AM19-01194	-	(29,001)
Subtotal: ALN 20.513			-	(29,001)
Direct Awards				
Job Access And Reverse Commute Program				
CA-37-X177-00 (JARC)	20.516		5,652	5,652
Subtotal: ALN 20.516			5,652	5,652
<b>Total Transit Services Program Cluster</b>			5,652	(23,349)
<b>Total Federal Transit Administration (FTA)</b>			893,864	43,547,184
<b>United States Environmental Protection Agency</b>				
Brownfields Assessment and Cleanup Cooperative Agreements				
Brownfields Assessment and Cleanup Cooperative Agreements				
Pass-Through from Association of Bay Area Governments	66.818	BF-99761501	-	43,685
Subtotal: ALN 66.818			-	43,685
<b>Total United States Environmental Protection Agency</b>			-	43,685
<b>Department of Homeland Security</b>				
Cooperating Technical Partners				
Direct Awards				
EMF-2020-CA-0017-S01	97.045	EMF-2020-CA-00017	-	31,265
Subtotal: ALN 97.045			-	31,265
<b>Total Department of Homeland Security</b>			-	31,265
<b>Total Expenditures for Federal Awards</b>			\$ 19,034,081	\$ 95,780,852

See accompanying notes to the schedule of expenditures of federal awards.

METROPOLITAN TRANSPORTATION COMMISSION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2023

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**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all expenditures of federal awards of the Metropolitan Transportation Commission (“MTC”).

The Schedule is presented using the modified accrual basis of accounting. MTC’s financial statements are prepared on the accrual basis for proprietary and fiduciary activities and modified accrual basis for governmental activities, which are described in Note 1 of the notes to MTC’s financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “Uniform Guidance”). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in preparation of, the financial statements. Expenditures reported on the Schedule are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 – INDIRECT COST RATE**

MTC applies its predetermined approved indirect cost rate when charging indirect costs to federal awards rather than the 10% de minimis indirect cost rate described in Section 200.414 of the Uniform Guidance. MTC’s indirect cost rate is approved by its cognizant agency.

METROPOLITAN TRANSPORTATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended June 30, 2023

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**SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of report the auditor issued on whether  
the financial statements audited were prepared  
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

***Federal Awards:***

Internal control over major federal programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified?

\_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for  
major federal programs:

Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes      X   No

Identification of major federal programs:

Assistance Listings

20.205

Highway Planning and Construction

20.505

Metropolitan Transportation Planning  
and State and Non-Metropolitan  
Planning and Research

Dollar threshold used to distinguish type A and B programs:

\$ 2,873,426

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No